

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the Matter	)	CC Docket 96-45
	)	
Federal-State Joint Board on	)	
Universal Service	)	
	)	
Review of Lifeline and Link-Up	)	
For All Low-Income Consumers	)	
	)	
	)	

**COMMENTS OF THE IOWA UTILITIES BOARD**

The Iowa Utilities Board (IUB) submits these comments regarding the Public Notice inviting comments for its review of Lifeline and Link-up released October 12, 2001. The Public Notice seeks comments on the two federal support programs that are used to preserve and advance universal service and to ensure that quality telecommunications and information services are available to low-income consumers at just, reasonable and affordable rates, as required by the Telecommunications Act of 1996.

The Public Notice also seeks comments on various means of increasing low-income subscribership, methods and necessity of verification, outreach efforts and state-specific recommendations.

**DISCUSSION ON ISSUES**

**What is the current Lifeline enrollment in each state?**

Iowa currently has 11,832 subscribers in the Lifeline assistance program as of year end 2000.

**What is the number and percentage of low-income households, on and off reservation, who receive Lifeline support; the number and percentage of low-income households, on and off reservation, who do not receive Lifeline support?**

Iowa has 187,119 qualifying low-income households. 11,832 of those households currently subscribe to Lifeline or 6.3% as of year end 2000. That means that 175,287 or 93.7% of those eligible do not subscribe for whatever reasons. In comparison, LIHEAP estimates that 81,523 or 43.6% of qualifying households will apply and receive assistance from its plan.

**Are there other reasons that low-income individuals may not enroll in qualifying programs or participate in Lifeline/Link-up?**

Through our research, several reasons became obvious. First, we assume there are too many households unaware of the Lifeline opportunity. There clearly needs to be a greater effort towards outreach at both the state and federal level. Second, there are not enough resources available to make that outreach effort. Third, and this may be unique to small, rural or agricultural states, but self-exclusion is a major factor in small communities, especially for the elderly. People do not want it widely known that they are receiving assistance of any kind. LIHEAP is fairly anonymous, community-wise, whereas for Lifeline, they are required to contact their local telephone company where the employees are neighbors. Other reasons for individuals not enrolling may include the fact that the amount of credit available to qualifying customers is not significant and the amount of a telephone bill is fairly consistent month over month. Also, monthly telephone costs are more controllable than say heating costs which fluctuate greatly based upon seasonal usage and seasonal fluctuation in prices. There are over 800,000 wireless customers in Iowa and that might account for a number of those consumers not even having a wireline service. Lastly, brought to our attention by the Department of Elder Affairs, is some product confusion. There are other products on the market for medical emergencies with the “lifeline” name, and when Lifeline is mentioned, it is not always clear what it is being offered.

**What steps have been taken to increase Lifeline/Link-up subscribership in your respective states?**

Telecommunications companies periodically place public service announcements regarding Lifeline/Link-up in their billing statements. In addition, the informational brochures/application forms have been provided to each of the 99 county offices of the Iowa Department of Human Services, the area agencies on aging, the community action agencies and to other agencies that provide assistance to low income Iowans. In some locations, the forms have been provided to large companies, such as meat packing companies that traditionally employ many minorities who may not be aware of such programs. There are numerous companies that include information in welcome letters to new customers and monthly newsletters.

**How can successful state methods be implemented at the federal level?**

Iowa is looking into adopting a change in methods of certifying households. Since we only have 11,832 households currently subscribing to Lifeline, while 81,523 are using LIHEAP, there is an apparent problem. We intend to add a field to the current LIHEAP application form for a “carrier ID.” That ID will identify the telephone company serving the applicant’s exchange. Local agencies will be provided a list of all companies and their corresponding ID numbers. Additionally, language will be inserted in the certification portion of the application, informing the applicant that LIHEAP will automatically enroll them in Lifeline. A statement would also need to be added that the

applicant needs to notify the telephone company if they cease to participate in the program. Link-up applicants would still need to apply at their local telephone company. LIHEAP will then sort applications by carrier ID and forward them to the appropriate company.

**What state programs are particularly effective in determining eligibility for Lifeline/Link-up assistance?**

In our situation, LIHEAP is proving to be effective, but our primary enrollment source comes from the Department of Human Services and other qualifying state agencies.

**Should individuals be able to qualify for assistance merely by being eligible and if the Commission were to adopt such a standard, should eligibility be certified or verified?**

Implementing a verification process would create an administrative nightmare. It would add paperwork processes to an already efficient method. The costs of such a process would undoubtedly outweigh any benefits gained.

**Should Lifeline recipients be removed immediately from Lifeline enrollment when they no longer meet the eligibility standards, or should Lifeline enrollment be guaranteed for a specific minimum period of time?**

Again, the process of trying to determine when someone is no longer eligible would be burdensome. The applicant or subscriber currently self-certifies that they are eligible to receive Lifeline. It should be made clear to subscribers that it is their responsibility to notify their telephone company when there has been a change in their eligibility status.

**What specific outreach efforts should the Commission adopt?**

Availability of financial resources for the preparation and distribution of information related to the Lifeline and Linkup programs appears to be lacking. Occasionally an incumbent service provider has included information about the Lifeline and Linkup programs in billing inserts. In some locations this may not be a requirement and is dependent upon space availability on a given insert and the willingness of the service provider to take extra steps to ensure dissemination of program information. Costs for service providers performing this function appear to be minimal. Additionally, the information is directed to consumers with existing basic local exchange telephone service and not to those without service.

A very small increase to Federal Universal Service Fund contributions could provide for the costs associated with the preparation of single paged letter sized insert brochures explaining the Linkup and Lifeline programs. Amounts collected through the Federal USF could be annually directed to each state utility commission for the preparation of inserts. Each individual state has unique requirements for quantities of printed materials

based upon households within each state. One approach to standardize needed quantities or dollars for the preparation of printed materials would be to use the estimated number of eligible households for Low-Income Home Energy Assistance Program (LIHEAP) contained in the Department of Health and Human Services "LIHEAP Income Eligibility Estimates" report on each state times a factor greater than one (since printed materials will be distributed to more individuals and households than estimated to be eligible) times a cost factor for each printed brochure. As an example, if a state had 260,000 estimated eligible households, and twice as many brochures are needed and the cost for each brochure is \$0.02, the state commission would have \$10,400 for the preparation of printed materials.

Since Lifeline and Linkup programs can vary by state, especially when consumers reside on tribal lands and when state programs enhance the federal programs. Preparation of the brochures and the information contained within can be unique to each state. Additional funds could be obtained from state programs and be combined with amounts from the Federal USF to develop printed materials best suited for each state. With state commissions in control of the development of printed information, utilities, state government agencies and volunteer organizations involved with low-income assistance could partner to develop a product meeting the needs of all.

The printed material could be distributed through individual state administrators of Medicaid, food stamps, Supplemental Security Income (SSI), federal public housing assistance, or Low-Income Home Energy Assistance Program (LIHEAP). In areas containing tribal lands, the information could be distributed through administrators of Bureau of Indian Affairs general assistance, Tribally-Administered Temporary Assistance for Needy Families, Head Start, or the National School Lunch Program. Additionally, electric service penetration approaches nearly 100 percent of all households and Linkup and Lifeline informational inserts could be distributed to electric power companies for inclusion in residential electric billings.

If a financial assistance program is developed for helping state commissions prepare and disseminate printed Lifeline and Linkup materials, the program effectiveness should be periodically reviewed and include provisions to measure results.

## **CONCLUSION**

The Iowa Utilities Board respectfully submits these comments for the Federal-State Joint Board's consideration regarding its review of Lifeline/Link-up.

Respectfully submitted,

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December 21, 2001